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## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** RENTERS' INSURANCE UPDATE

**DATE:** September 22, 2006

Approved

*Ray Wm*

Date

*9/22/06*

**COUNCIL DISTRICT:** Citywide  
**SNI Area:** All

### INFORMATION

Earlier this year, the Housing Department began to implement a Citywide outreach and education campaign promoting the benefits of renters' insurance. In collaboration with key partners, including the California Apartment Association Tri-County Division ("Tri-County") and the City's Fire Department, Housing Department staff created a Renters' Insurance Brochure. The brochure is being distributed to residents throughout the City through the Housing Department's many nonprofit and for-profit agency partners and at community events. The brochure is posted on the Rental Rights and Referrals website and is also available in Spanish and Vietnamese.

In addition to the brochure, Housing Department staff has placed ads in El Observador, the San José Mercury News, and the San José Section of the ForRent.Com biweekly magazine. City staff submitted public service announcements to nineteen local radio stations and will be scheduling radio interviews with several of the stations' disc jockeys. In collaboration with Tri-County, City staff co-authored an article regarding Renters Insurance in the Apartment Living section of the San José Mercury News (see attached). Private developers, property management companies, and Tri-County have all contributed financially to the cost of the Renters' Insurance campaign.

  
LESLEYE KRUTKO  
Director of Housing

For questions, or for additional copies of the brochure, please call Brandi Hoffman-Ooka at (408) 535-8232.

Attachments: Renters' Insurance Brochure

San José Mercury News Article dated 8/18/06

# Renter's insurance: small price to pay for San Jose residents

By Joshua Howard, California Apartment Association, Tri-County Division and April Nieuwsma, Housing Department, City of San Jose

Grace Stevenson's life changed forever in August of 2002, when an 11-alarm fire blazed out of control and destroyed her home in the Santana Row neighborhood of Santa Clara County. The fire, which was one of the largest fires ever witnessed by the city of San Jose, forced 34 families out of homes, and caused thousands of dollars in damage, leaving many San Jose residents with the costly effort of picking up the pieces and starting over again.

Grace's story was different. She had purchased a renter's insurance policy months in advance which covered the cost of replacing her personal belongings.

"Out of 136 renters who lost homes in the Santana Row fires, I was the only one, to my knowledge, who had purchased renter's insurance," Stevenson says. "Three days after the fire, my insurance agent gave me a check for \$17,000, and two weeks later I received a balance of \$22,000. Renter's insurance is fairly inexpensive, and in my opinion, a must have."

The lesson learned? "If I understood the importance of it before, I understand it even more now. People need to be prepared for disasters and plan ahead," Stevenson says.

## An investment that pays

After a major disaster such as a fire, flood or other such event, a landlord's

insurance policy generally only covers damage to the building, not the loss of personal property.

In the last few years, hundreds of San Jose renters have lost all of their belongings due to fire and other catastrophes. The Willow Street fire alone destroyed 84 San Jose apartments and displaced 234 residents.

Ron Rodrigues of State Farm Insurance in Dublin described the devastating effects of this fire on his clients: "One of my clients lost over \$30,000, another lost \$28,000 in the Willow Street fire" Rodrigues says. "Renter's insurance can protect you from these kinds of losses."

## Preparing for crisis

Fire, flood and damages to property can't always be prevented, but San Jose residents can protect themselves from losses. Renter's insurance policies are generally inexpensive, and an average policy can cost as little as 34 cents a day. New furniture, clothing, appliances, electronics and other damages can all be replaced with a renter's insurance policy. Anyone living in rental property should carry renter's insurance.

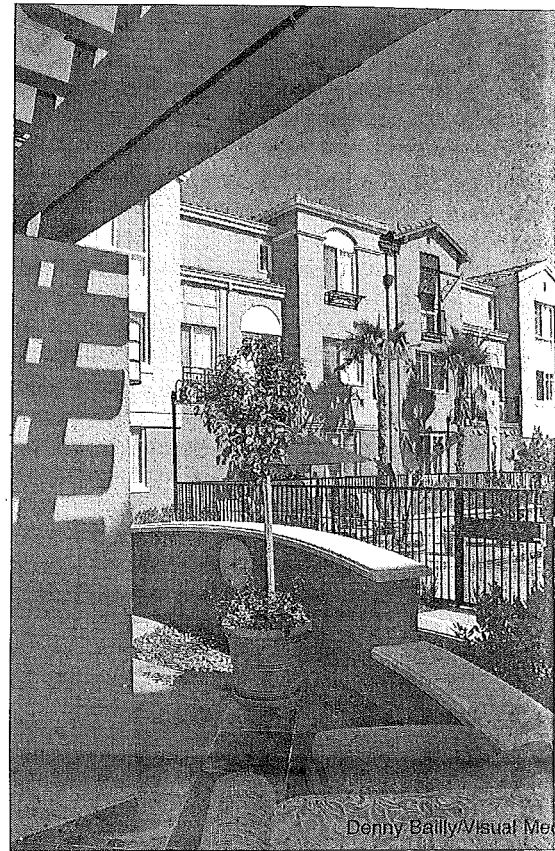
## Where to start

A common misconception among renters is that what they own is not valuable enough to insure, or that they do not own enough to make the policy worth the cost of purchase. After taking an inventory of personal property, renters are often surprised by the results. Asking simple questions can

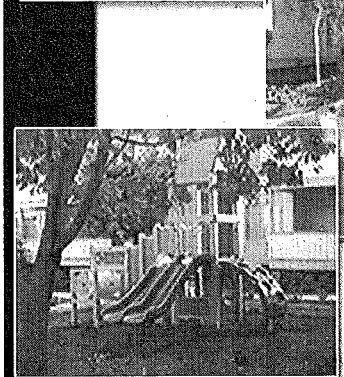
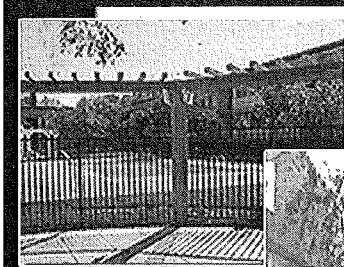
help assess property value:

- How much are my belongings worth?
- Can I afford to buy it all back again if it were destroyed in a fire or stolen?
- What would I do in the event of a lawsuit against me if someone were hurt?

Insurance premiums can vary greatly between agencies. Ask for details regarding premium installments or payments available through the company you are considering for coverage. Some companies offer discounts to residents who purchase multiple insurance policies through the same company.



Denny Bailey/Visual Media



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